

3-8. Tax-Exempt Status

For purchases within the United States, the CH informs the merchant that the purchase is for official U.S. Government purposes and, therefore, is not subject to state or local sales tax. The GPC is embossed with the statement “U.S. GOVT TAX EXEMPT” and the CH will point this statement out to any merchant attempting to apply taxes to a purchase. In some tax jurisdictions, it may be necessary for the CH to provide a tax-exempt number if requested by the merchant ([state tax letters](#)). State tax letters can be found at the following website:

<http://apps.fas.gsa.gov/services/gsa-smartpay/taxletter/letters08.cfm>. Read the applicable [state tax letter](#) from the GSA website to determine how that state treats the card for tax purposes. The state tax letters identify any required tax exemption certification. CHs are responsible to ensure no sales tax has been included in their purchase, except where applicable.

The Federal Government Tax Exemption Information	
Tax Exempt	Not Tax Exempt
Sales Tax	Certain federal and state excise taxes
Federal communications and highway vehicle users tax – FAR 29.203	If you pay for a service, you may pay the tax on labor only for work that is performed in that state. (e.g. New Mexico Gross Receipts Tax (NMGRT))
	The commissary surcharge is a federally mandated charge
	Overseas purchases are not exempt from foreign taxes unless foreign tax agreements so specify
	Tax exemption does not apply at the point of sale for any fuel purchases